

BOSTON REDEVELOPMENT AUTHORITY

REPORT AND DECISION ON THE APPLICATION OF 1000 WASHINGTON, INC. FOR THE AUTHORIZATION AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS GENERAL LAWS (TER.ED.) CHAPTER 121A AS AMENDED, AND CHAPTER 652 OF THE ACTS OF 1960, TO BE UNDERTAKEN AND CARRIED OUT BY A CORPORATION ORGANIZED PURSUANT TO M.G.L., C. 156B, AND APPROVAL TO ACT AS AN URBAN REDEVELOPMENT CORPORATION UNDER SAID CHAPTER 121A.

A. The Hearing. A public hearing was held at 2:00 p.m. on October 2, 1980 and continued to 2:00 P.M. October 16, 1980 in the offices of the Boston Redevelopment Authority (hereinafter called the "Authority"), at City Hall, Room 921, Boston, Massachusetts 02201, by the Authority on an Application dated September 8, 1980, (hereinafter called the "Application"), filed by Teradyne, Inc. on behalf of 1000 Washington, Inc., a wholly owned subsidiary of the Applicant, for authorization and approval of a redevelopment project under Chapter 121A of the General Laws of the Commonwealth of Massachusetts and Chapter 652 of the Acts of 1960, as amended, (hereinafter called the "Project"), due notice of said hearing having been given previously by publication on September 22 and 29, 1980, and October 6, and 13, 1980 in the Boston Herald American, a daily newspaper of general circulation published in Boston and mailing postage prepaid in accordance with Rule 4 of the Rules and Regulations of the Authority for securing approval of Chapter 121A projects, and in accordance with the provisions of Section 13 of Chapter 652 of the Acts of 1960, as amended. Robert L. Farrell, Chairman of the Authority, James G. Colbert, James K. Flaherty, Joseph J. Walsh, and James E. Cofield, Jr., members of the Authority were present at the hearing.

B. The Project. The proposed development area is located at 1000 Washington Street known as the HUB Mail Building in Boston's South End. The facility contains 232,000 square feet ten stories and a basement. A full metes and bounds description can be found in Exhibit A to the Application.

The Applicant is a tenant of the property under a long term lease of 25 years commencing January 1, 1980, with a purchase option exercisable after November 1, 1993.

The Project consists of the complete rehabilitation of the severely underutilized and unproductive HUB Mail Building. The facility is a 232,000 square foot, ten story structure with basement situated on 40,000 square feet of land. Six of the eleven floors are vacant and the others are being used for warehouse space and limited garment industry production. Attached to the Application as Appendicies 1 and 2 are a map and site plan for the Project Area. Also attached, as Appendicies 3 and 15 are floor plans for the building and outline specifications showing the general character and quality of the proposed construction.

The rehabilitation will include roof repairs, elevator modernization, improvement of building skin and windows, installation of central air conditioning, industrial exhaust and power, partitioning, carpets and accoustical ceilings, and creation of lobbies and employee cafeterias, as well as significant, masonry, structural steel reinforcement and concrete replacement. Equiping and furnishing the facility with computers, production, office and engineering test equipment will also be a major part of the project. Once completed, the project will result in a modern, high technology production facility expected to accommodate approximately 1600 employees engaged in the manufacture of electronic testing equipment.

Teradyne's proposed expansion has been officially determined by the Comprehensive Eeonimic Development Strategy (CEDS) Committee to be a CEDS Top Priority Ecnomic Development Project. This status is in recognition not only of the project's substantial job creation benefits but also the importance of the continued expansion within Boston of existing City industries as a critical element in the City's industrial retention/attraction strategy.

C. Authority Action. In passing upon the application, the Authority has considered the Application itself, all documents, plans and exhibits filed therewith or referred to therein, the oral evidence presented at the hearing, the exhibits offered in evidence at the hearing, and arguments and statements made at the hearing.

D. Project Area. The Project as defined in the Application constitutes a "Project" within the meaning of Section 1 of Chapter 121A of the General Laws, providing, as it does, for the rehabilitation and construction in a substandard and decadent area.

The Project Area is decadent and substandard, as those terms are defined in Section 1 of Chapter 121A, because the building to be rehabilitated was built in 1913 and is obsolete for most modern commercial uses.

The only building in the Project Area is a ten-story structure which is presently underutilized and in deteriorating condition as evidenced by the degenerating condition of masonry piers, columns supporting the roof, rotting concrete and general structural failure. Six of the eleven floors are vacant; two others are used for warehouse space with only two employees at the location; and, the remaining three floors are used for garment industry production employing less than 150 employees. Extensive renovation of both the exterior and interior will be required prior to any occupancy.

In addition, the immediate neighborhood is in need of substantial upgrading. There is an absence of adequate street lighting, sidewalks and roads are in disrepair, and the MBTA has an elevated rail line next to the building creating noise and dirty conditions.

The site would not be developed without the real estate taxes being limited to a percentage of the project's estimated gross annual income, evidenced by the requirement of the mortgage lender attached to the Application.

Percentage levels as a basis for taxation can only be lawfully agreed to by the City of Boston under G. L. Chapter 121A and Chapter 6A. These conditions and other factors referred to in the Application and this Report and Decision warrant the carrying out of the Project in accordance with Chapter 121A. In addition to providing the City with greater revenues than presently available through taxes on warehouse space, the Project is expected to generate over \$25,000,000 in increased Boston payroll, cause expenditure of over \$500,000 on street and site improvements, and result in yearly sales of over \$5,700,000 subject to Massachusetts sales tax. A more detailed breakdown of the fiscal advantages was contained in Exhibit C to the Application.

The Project is necessary and desirable as a significant step in reaching Boston's goals for economic development and job creation. The United States Department of Housing and Urban Development has confirmed this view by committing to provide the City with an Urban Development Action Grant of \$4,636,500 for use in effectuating Teradyne's proposed expansion.

For these reasons it is found that the Project Area is a decadent and substandard area within the meaning of Chapter 121A, as amended. It is unlikely that the conditions will be remedied by the ordinary operations of private enterprise.

E. Cost of the Project. In the opinion of the Authority, the cost of the Project has been realistically estimated in the Application and the Project is practicable.

The expected cost of the Project is approximately \$61,500,000, which will be financed both during the construction period and on a permanent basis from the following sources:

- Domestic line of credit for \$50 million from the First National Bank of Boston and the Bank of America for general working capital of the Company;
- Industrial Revenue Bond commitment of \$1 million from the First National Bank of Boston for unrestricted use toward the realty and/or equipment expenses of the Project;
- Urban Development Action Grant loan from the U.S. Department of Housing and Urban Development of \$4.5 million; and
- Teradyne, Inc. equity of \$6 million generated from operations.

The only party, natural or corporate, who will have a direct or indirect beneficial interest in the Project other than the 121A entity is Teradyne, Inc.

F. Consistency with Master Plan. The Project does not conflict with the Master Plan for the City of Boston as the Project Area comes within a classification in the Master Plan which permits buildings and uses of the kind proposed by the Applicants.

G. Effect of the Project. The Project will not be in any way detrimental to the best interests of the public or the City of Boston or to the public safety and convenience and is not inconsistent with the most suitable development of the Project Area neighborhood or of the City. The Project will, in fact, forward the best interests of the City and will constitute a public use and benefit. The Plans of the structure to be rehabilitated within the Project Area have been reviewed by the Design Review Staff of the Authority. The Authority finds that this Project will enhance the general appearance of the area and will furnish much needed jobs for Boston residents. The Project will have a positive economic impact especially on the South End and Chinatown neighborhoods surrounding the Project Area. During construction of the Project, the Project's general contractor will be required, to the best of its ability, to grant preference in hiring to Boston residents.

H. Environmental Considerations. Pursuant to the provisions of Section 61 of Chapter 30 of the General Laws (as inserted by Chapter 781 of the Acts of 1972), the Authority hereby finds and determines that the Project will not result in significant damage to or impairment of the environment and further finds and determines that all practicable and feasible means and measures have been taken, or will be utilized, to avoid or minimize damage to the environment.

As a result of the investigations and report of the Authority's staff and of its own knowledge, the Authority hereby finds that:

1. The Project will not adversely affect any open space or recreation area or any aesthetic values in the surrounding area.
2. The Project will not adversely affect any archaeological or historical site, structure, or feature (; rather it is expected that the Project will enhance the historic features of the area.)
3. The Project will not adversely affect any significant natural or man-made feature or place but is determined to be compatible with the surrounding environment.
4. Being located in an urban area, the Project will not affect any wilderness area or area of significant vegetation and will not adversely affect any rare or endangered fisheries, wildlife or species of plants.
5. The Project will not alter or adversely affect any flood hazard area, inland or coastal wetland, or any other geologically unstable area.
6. The Project will not involve the use, storage, release, or disposal of any potentially hazardous substances.
7. The Project will not affect the potential use or extraction of any agricultural, mineral, or energy resources.
8. The Project will not result in any significant increase in consumption of energy or generation of solid waste.
9. The Project will not adversely affect the quantity or quality of any water resources and will not involve any dredging.
10. Except necessarily during the construction phase, the Project will not result in the generation of a significant amount of noise, dust, or other pollutants, and will not adversely affect any sensitive receptors.
11. The Project will not adversely affect any area of important scenic value.

12. The Project will not conflict with any Federal, State, or local land use, transportation, open space, recreation, and environmental plans and policies.
13. The Project will require deviations from the Zoning Code of the City of Boston as further detailed herein, but not in such a manner as will cause damage to the environment.

In order to avoid or minimize any damage to the environment, the Authority hereby requires that the applicant comply with the City of Boston Air Pollution Control Commission's Regulation for the Control of Noise and Regulations for the Control of Atmospheric Pollution during all phases of construction activity. Furthermore, if the rehabilitation involves any abrasive blasting of interior or exterior surfaces, the contractor must submit an application for an Abrasive Blasting Permit to the City of Boston Air Pollution Control Commission prior to initiation of such activity.

Pursuant to M.G.L. Chap. 131, sec 40, the applicant further is required to apply to the Boston Conservation Commission for an Order of Conditions respecting the construction of the parking lot adjacent to the inland extension of the Fort Point Channel.

The applicant also should make all reasonable efforts to schedule shifts and to encourage car pooling/van pooling and public transit use so as to reduce peak period traffic congestion in the South End.

I. Minimum Standards. The minimum standards for financing, construction, maintenance and improvement of the Project as set forth in Exhibit B filed with and attached to the Application, are hereby adopted and imposed as Rules and Regulations (in addition to those hereinafter adopted and imposed) applicable to this Project for the same period as the Project is subject to the provisions of Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, as amended.

In addition to the minimum standards set forth in Exhibit B the Authority hereby requires that the Applicants, prior to obtaining a building permit, (1) enter into a Regulatory Agreement with the Authority pursuant to the requirements of General Laws, Chapter 121A Section 18C, and containing such other terms and conditions as the Authority may in its discretion deem

necessary and appropriate; (2) submit to the Authority for its review and approval all plans and specifications for the Project as the Authority may require and accept such changes and modifications thereto as the Authority may deem necessary or appropriate, and (3) adhere to such design review controls and requirements as the Authority may in its discretion impose.

The carrying out of the Project will not require the granting of a permit for the erection, maintenance and use of a garage within 500 feet of one or more buildings occupied in whole or in part as a public or private school having more than 50 pupils, or as a public or private hospital having more than 25 beds, or as church.

The Project does not involve the construction of units which constitute a single building under the State Building Code and zoning laws, G.L. c.138.

The Applicant will commence construction of the Project within thirty days after the initial closing of the United States Department of Housing and Urban Development Action Grant loan from the City of Boston to the Applicant. It is anticipated that such initial closing will take place on or before December 30, 1980. The Applicant intends to complete the Project within 48 months after the initial closing of the above-referenced loan. The schedule will not be changed unless the Applicant is prevented from commencing or completing construction of the Project for reasons beyond its reasonable control.

J. Zoning Code Deviations. Appendix 10 to the Application lists the Zoning Code deviations requested. For the reasons set forth in the Application and the evidence presented at the hearing, the Authority finds that the deviations attached hereto and incorporated by reference as Exhibit A are necessary for the carrying out of the total project and are therefore granted without substantially derogating from the intent and purposes of the applicable laws, codes, ordinances and regulations respectively.

K. Duration of Period of Tax Exemption. The Applicant requests no extension to the base term of fifteen (15) calendar years for the Project's period of tax exemption pursuant to applicable provisions of Chapter 121A.

L. Decision. For all the reasons set forth in the foregoing report, the Authority hereby approves the undertakings by the Applicant of the Project pursuant to Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, subject to the provisions as set forth above.

(EXHIBIT A)

DEVIATIONS REQUESTED

The following is a listing of the deviations required from the Boston Zoning Code, with a comparison of what the Code requires and what this project provides:

Article 13 Floor Area Ratio

The Code allows an F.A.R. of 2, which would permit a building area of 80,012 square feet on this parcel. This project provides 209,600 square feet of area, or an F.A.R. of 5.3.

Article 21 Setback

The Code requires setbacks from the lot line of 26.8 ft. for the South facade and 29.2 ft. for the East facade. The existing building abuts the lot lines on the South and East facades.

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MEMORANDUM

DECEMBER 4, 1980

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT J. RYAN, DIRECTOR

SUBJECT: CHAPTER 121A APPLICATION OF 1000 WASHINGTON, INC.

On October 2 and continued to October 16, 1980, the Authority conducted a public hearing to consider the above-captioned 121A Application.

The Project consists of the rehabilitation of the building located at 1000 Washington Street, known as the HUB Mail Building, and operation and maintenance of the ten-story building and basement into a high technology production facility.

Authority staff has examined the Application and found that it contained sufficient evidence in support of the Project to make those findings and determinations necessary to proceed with the approval of the Project.

It is therefore recommended that pursuant to Chapter 121A of the General Laws, the Authority adopt the Report and Decision approving the Project.

An appropriate vote follows:

VOTED: That the document presented at this meeting entitled "Report and Decision on the Application of 1000 Washington, Inc. for the Authorization and Approval of a Project under Massachusetts General Laws (Ter.Ed.) Chapter 121A, as Amended, and Chapter 652 of the Acts of 1960, to be Undertaken and Carried Out by a Corporation Organized Pursuant to M.G.L. c. 156B and Approval to Act as an Urban Redevelopment Corporation Under Said Chapter 121A" be and hereby is approved and adopted.